

An exploration of the brand crisis mechanism through the psychological contract theory

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Cite as:

de Villartay Sophie, Berger-Remy Fabienne, Julienne Eric, Laporte Marie-Eve (2023), An exploration of the brand crisis mechanism through the psychological contract theory. *Proceedings of the European Marketing Academy*, 52nd, (113986)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023



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Abstract

Research on brand crisis is fairly recent and presents contradictory conclusions on the evolution of consumers' attitudes. This research sheds new light on this issue by mobilizing the Psychological Contract theory borrowed from Human Resources. Based on an exploratory study involving 31 in-depth interviews of consumers and brand crisis experts, the research describes the mechanism leading –or not– to a brand crisis. Depending on whether or not the Psychological Contract is perceived to be broken, negative media coverage does not necessarily lead to a brand crisis. The research identifies four aggravating and two mitigating factors that affect the mechanism. This work contributes to a better understanding of brand crises by proposing a conceptual model of the mechanism leading to crises.

Subject Areas: *Branding, Customer Relationship Management and Customer Satisfaction*

Track: Product and Brand Management